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**An Alternative Analysis of Marketing Expenses Related to
the Calculation of USF Support**

CC: 96-45

In 1996, ETI, on behalf of the National Cable Television Association, analyzed, among other things, the component of universal service support associated with non-plant-related expenses. The following analysis and attached spreadsheets provide an alternative analysis of the treatment of advertising expenses as they relate to the calculation of universal service support.

Marketing expenses encompass three categories. Two of these categories (Account 6611 (Product Management) and Account 6612 (Sales)) remain unchanged from the estimates made by Susan M. Baldwin and Lee L. Selwyn in the August 1996 analysis entitled, *Converging on a Cost Proxy Model for Primary Line Basic Residential Service: A Blueprint for Designing a Competitively Neutral Universal Service Fund*. The August 1996 study disallows the Sales account in its entirety because, based on the information available, the "activities in this account do not support basic residential service" (at 31). This rationale continues to apply. The August 1996 study recommends an inclusion of 16% of product management expenses, and the underlying rationale for this inclusion continues to apply, although as indicated in the August 1996 study, the factor of 16% does not include an explicit provision for business lines. This alternative analysis focuses on the third category of marketing expenses: Account 6613: Product Advertising. This analysis updates the August 1996 analysis to reflect new SOCC data and to take account of the fact that eligible telecommunications carriers (ETCs) are *required* to advertise their local exchange services.

The analysis starts with the Product Advertising (Account 6613) component. The New England Telephone Cost Study (COSS) used in the original analysis separates this account into four components: Business, Residence, Public, and Other Services. (The Massachusetts Cost of Service Study for New England Telephone as filed in November of 1992 is the basis of the analysis because it is non-proprietary, and includes a narrative that describes the costs encompassed.) This analysis assumes that single-line business and primary residence lines are the only lines which the Universal Service program will subsidize. As such, this analysis estimates the share of residential lines that are considered primary lines and uses this factor of 84.35% for "product advertising - residence". This can be altered if there is more accurate information available concerning primary versus secondary residential lines. The share of total business lines that are single-line business lines was estimated to be 7.8%. Based on the descriptions in the COSS, the other two categories of Product Advertising do not apply to universal service.

Thus, as the attached tables demonstrate, the analysis produces a factor of 8.09% of total Marketing Expenses if Single-Line Business lines are included and 7.83% if they are excluded. However, both of these factors substantially overstate a reasonable proxy for applicable advertising expenses because:

- They include the aggressive marketing associated with the sale of vertical services. The source data does not permit disaggregation between advertising

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associated with basic local exchange service and advertising associated with vertical services. In 1992, the study year, it is highly probable that the vast majority of advertising concerned the sale of additional lines and the sale of discretionary services.

- Although the analysis excludes a *proportional* amount for the sale of second lines, marketing is likely to be *disproportionately* related to the sale of additional lines.

This analysis is case-specific to one company, in one state, and for a year that precedes the Telecommunications Act of 1996, and thus precedes any competitive forces which may exist for local exchange services. One could argue that the specific consequence of focusing on a study from 1992 is to underestimate the amount of advertising expenses related to Universal Service. This is due to the fact that carriers must now compete for basic local exchange customers and that ETCs are *required* to advertise their local exchange services for the express purpose of Universal Service. Relevant advertising presumably did not occur in 1992. However, greatly offsetting this consequence is the fact that most marketing expenses for basic local exchange services still focus, for the most part, on vertical services such as Call Waiting and Caller ID, which are not encompassed in the Universal Service program.

Table 1: Because this table reflects 1998 SOCC data, and because product management as an overall percentage of total marketing expenses has apparently increased, the result of updating the original analysis is to increase the total percentage from 4.4% to 5.25%. As noted in the August 1996 study (at page 30), 16% is biased upward.

MASSACHUSETTS
COST OF SERVICE STUDY
12 Months Ended November 30, 1992
BOOK IV OF VI



New England Telephone

A NYNEX Company

Table 1
ETI August 1996 Analysis of Marketing Expenses for Computing USF
Updated to Reflect 1998 SOCC Data

| Line No. | Account No. | Item | All Reporting LECs | | |
|---------------------------------|-------------|---------------------|----------------------------|--------------------------|--------------------------------------|
| | | | As Filed (000s omitted) | Percent (Upper Bound) | Partially Corrected (Upper Bound) |
| 257 | 6611 | Product Management | 1,666,529 | 16.00% | 266,645 |
| 258 | 6612 | Sales | 2,611,045 | 0.00% | 0 |
| 259 | 6613 | Product Advertising | 803,998 | 0.00% | 0 |
| Total Marketing Expenses | | | 5,081,572 | 5.25% | 266,645 |

Sources: Preliminary Statistics of Common Carriers 1998, Table 2.9.

For justification of the "Upper Bound" estimates see Baldwin, Susan M. and Lee L. Selwyn. *The Cost of Universal Service:*

A Critical Assessment of the Benchmark Cost Model, August 1996, at 30-31.

The original table can found in the August 1996 analysis at Table App - 3A, at 34.

Table 2
Analysis of Marketing Expenses for Computing USF
Revised to Include an Allowance for Advertising
(Includes Single-Line Business Lines)

| Line No. | Account No. | Item | All Reporting LECs | | |
|---------------------------------|-------------|---------------------|----------------------------|--------------------------|--------------------------------------|
| | | | As Filed (000s omitted) | Percent (Upper Bound) | Partially Corrected (Upper Bound) |
| 257 | 6611 | Product Management | 1,666,529 | 16.00% | 266,645 |
| 258 | 6612 | Sales | 2,611,045 | 0.00% | 0 |
| 259 | 6613 | Product Advertising | 803,998 | 18.00% | 144,681 |
| Total Marketing Expenses | | | 5,081,572 | 8.09% | 411,325 |

Sources: Preliminary Statistics of Common Carriers 1998, Table 2.9. See Table 4a for derivation of 18% estimate.

For justification of the Product Management and Sales "Upper Bound" estimates see Baldwin, Susan M. and Lee L. Selwyn. *The Cost of Universal Service: A Critical Assessment of the Benchmark Cost Model*, August 1996, at 30-31.

The original table can found in the August 1996 analysis at Table App - 3A, at 34.

Table 3
Analysis of Marketing Expenses for Computing USF
Revised to Include an Allowance for Advertising
(Excludes Single-Line Business Lines)

| Line No. | Account No. | Item | All Reporting LECs | | |
|---------------------------------|-------------|---------------------|----------------------------|--------------------------|--------------------------------------|
| | | | As Filed (000s omitted) | Percent (Upper Bound) | Partially Corrected (Upper Bound) |
| 257 | 6611 | Product Management | 1,666,529 | 16.00% | 266,645 |
| 258 | 6612 | Sales | 2,611,045 | 0.00% | 0 |
| 259 | 6613 | Product Advertising | 803,998 | 16.35% | 131,475 |
| Total Marketing Expenses | | | 5,081,572 | 7.83% | 398,120 |

Sources: Preliminary Statistics of Common Carriers 1998, Table 2.9. See Table 4b for derivation of 16.35% factor.

For justification of the Product Management and Sales "Upper Bound" estimates see Baldwin, Susan M. and Lee L. Selwyn. *The Cost of Universal Service: A Critical Assessment of the Benchmark Cost Model*, August 1996, at 30-31.

The original table can found in the August 1996 analysis at Table App - 3A, at 34.

Table 4a
Illustrative Analysis
Massachusetts Cost of Service Study
(Includes Single-Line Business)

| Account | | Illustrative ILEC | Upper Bound | Total Factor |
|---------|--------------------------------------|-------------------|-------------|--------------|
| 6613 | Product Advertising | \$20,302,230 | | 18.00% |
| 6613.1 | Product Advertising - Business | \$4,275,050 | 7.80% | \$333,454 |
| 6613.2 | Product Advertising - Residence | \$3,935,938 | 84.35% | \$3,319,964 |
| 6613.3 | Product Advertising - Public | \$313,361 | 0.00% | \$0 |
| 6613.4 | Product Advertising - Other Services | \$11,777,881 | 0.00% | \$0 |

Source: *Massachusetts Cost of Service Study* ("COSS"), 12 Months Ended November 30, 1992, Book IV of VI, New England Telephone.

Table 4b
Illustrative Analysis
Massachusetts Cost of Service Study
(Excludes Single-Line Business)

| Account | | Illustrative ILEC | Upper Bound | Total Factor |
|---------|--------------------------------------|-------------------|-------------|--------------|
| 6613 | Product Advertising | \$20,302,230 | | 16.35% |
| 6613.1 | Product Advertising - Business | \$4,275,050 | 0.00% | \$0 |
| 6613.2 | Product Advertising - Residence | \$3,935,938 | 84.35% | \$3,319,964 |
| 6613.3 | Product Advertising - Public | \$313,361 | 0.00% | \$0 |
| 6613.4 | Product Advertising - Other Services | \$11,777,881 | 0.00% | \$0 |

Source: *Massachusetts Cost of Service Study* ("COSS"), 12 Months Ended November 30, 1992, Book IV of VI, New England Telephone.

Table 5
Percent Share of Total Local Exchange Lines for
Residential Primary Lines and Single-Line Business Lines

| Residential Lines | Share |
|-------------------|---------------|
| Primary | 84.35% |
| Secondary | 15.65% |

Source: FCC, CCB, *Trends in Telephone Service*, February 1999, Table 20.4

| Business Lines | 56,900,690 | Share |
|--------------------|------------|--------------|
| Analog Single-line | 4,440,558 | 7.80% |
| Analog Multi-line | 45,514,505 | 79.99% |
| Digital | 6,945,627 | 12.21% |

Source: Preliminary Statistics of Common Carriers 1998, Table 2.10



CONVERGING ON A COST PROXY MODEL FOR PRIMARY LINE BASIC RESIDENTIAL SERVICE

**A Blueprint for Designing a
Competitively Neutral Universal Service Fund**

Susan M. Baldwin
Lee L. Selwyn

August 1996



ECONOMICS AND TECHNOLOGY, INC.

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Appendix 3A: Analysis of Selected LEC Expense Accounts

Furthermore, where expenses in a given account are disproportionately incurred in order to serve business customers or for additional lines,² expenses should be adjusted accordingly.

Analysis of selected accounts illustrates that a disproportionate amount of the expenses are associated with services other than primary residential lines

Account 6611: Product Management

The Massachusetts COSS describes this account as including “costs incurred in performing administrative activities related to marketing products and services.”³ Of the approximately \$46-million in expenses associated with this account in Massachusetts, a vastly disproportionate amount, i.e., 84% of the total costs, is related to market management and planning for *business* customers.⁴ The remaining 16% is related to market forecasting and rates and tariffs for all customer classes and also to market management and planning for residential customers. It is unlikely that all of these efforts are required for universal service (e.g., it is not readily obvious that “costs incurred to identify, quantify and plan for customer requirements for new or changed communications services” supports universal service). Therefore, the *upper bound* that should be associated with this account is 16%.

Account 6612: Sales

According to the Massachusetts COSS, “[t]his account contains the pay and other expenses primarily of personnel engaged in performing the functions of canvassing for new business or for changing or renewing existing service.”⁵ Of the five organizations associated with this account, only the Administration and System Group Sales organization potentially performs functions that may possibly be related to universal service (because the description of the activity includes the activity of satisfying customer requests for service). However, an examination by customer class of this account indicates that only 7.3% of the entire account is assigned to the residence class and that the expenses assigned to the residence class do not concern the Administration and System Group Sales organization, but rather are related to activities in the Direct Marketing/Direct Response Center, which

2. For example, ILECs may have undertaken targeted marketing campaigns in order to encourage customers to subscribe to additional line service.

3. *Id.*, Book IV of VI, Tab H1, at 1.

4. *Id.*, at 3.

5. Tab H1, at 22.

Appendix 3A: Analysis of Selected LEC Expense Accounts

concern the sales and fulfillment of service orders for supplemental services.⁶ Since the activities in this account do not support basic residential service, we have excluded the entire account. Although this analysis is based upon a Massachusetts COSS, it is nonetheless difficult to envision any sales activity by ILECs associated with *primary* line basic local exchange service.

Account 6613: Advertising

As described in the COSS, "[t]his account includes expenses incurred in commercial advertising activities in developing and implementing promotional strategies to stimulate the purchase of products and services."⁷ There is nothing in the account description to suggest that any of the advertising is of an instructional nature. This amount should be removed entirely because advertising is not necessary for primary basic local exchange service. Therefore this account should be entirely eliminated in the calculation of a forward looking cost factor for primary residential basic local exchange service.

Account 6621: Call Completion Services

This account covers expenses associated with helping customers place and complete calls, except for directory assistance (e.g., quoting rates, etc.).⁸ These expenses are entirely associated with the provision of operator services and thus belong in the cost factor only if operator services are encompassed within the scope of the universal service being costed. Approximately two-thirds of these expenses are assigned to the coin class, however, so even if operator services are being encompassed in a cost model, the expenses should be scaled back significantly from the total shown. In the Massachusetts COSS, approximately 15% of the total account is assigned to the residential class.⁹ We set this amount at zero because the inclusion of operator expenses should be made explicitly and should reflect the fact that the expenses are disproportionately associated with pay telephones.

6. *Id.*, at 21. Furthermore, 42.3% of the expenses in this account are associated with the provision of Centrex, a competitive service. *Id.*, at 24.

7. Mass. COSS, Book IV of VI, Tab H-1, at 33.

8. COSS, Volume IV of VI, Tab H2, at 1.

9. Most likely few of these operator services are provided in connection with local calls so arguably the entire account should be eliminated from the calculation of a revised cost factor for basic local exchange service.

Appendix 3A: Analysis of Selected LEC Expense Accounts

Account 6622: Number Services

Approximately half the expenses in this account are assigned in the Massachusetts COSS to the residential directory assistance category.¹⁰ This account includes expenses incurred in preparing, compiling and disseminating listings through directory assistance or other means, and relates to handling calls for local and toll directory assistance and non-published number requests, among other things. The Massachusetts COSS does not distinguish requests for directory assistance relating to local calls from those relating to toll calls. Furthermore, in many states, ILECs receive revenues for those calls made in excess of a DA allowance, and also receive revenues for non-published listings.¹¹ Thus, it would be misleading to include the substantial expenses associated with directory assistance unless the revenues are also included. Therefore we have excluded this expense figure.

Account 6722: External Relations

The COSS indicates that the majority of this account relates to corporate advertising, public relations, investor relations and regulatory/government relations. NYNEX allocates approximately half of these expenses to the residential class.¹² For the purpose of a forward-looking cost study, however, none of these activities support primary residential basic local exchange service and therefore this entire account should be eliminated for the purpose of determining relevant expenses.

Exclusion of unrelated non-plant-related costs brings the BCM2 results much closer to those previously presented in the original BCM and in other cost analyses

Table App-3A below shows that the total illustrative expenses for Tier 1 LECs is \$7,192,621,000, or approximately \$50 per line.¹³ Furthermore, extrapolating from an examination of the Massachusetts Cost of Service Study suggests that at most 2.1% of these

10. *Id.*, at 14.

11. Even in Massachusetts, which is one of only a few states with a DA allowance as high as 10 calls, the estimated revenues from directory assistance is anticipated to exceed the costs associated with fulfilling certain legislated requirements (e.g., providing a relay service and E-9-1-1 service). Massachusetts D.P.U. 91-68. *Investigation by the Department on its own motion, released July 12, 1991.*

12. Tab I2, at 20, 22.

13. Tier 1 LECs serve 137,975,749 lines. *Statistics of Common Carriers*, 1993/1994 Edition, Table 2.10.

Appendix 3A: Analysis of Selected LEC Expense Accounts

expenses might be considered relevant to the provision of basic local exchange service.¹⁴ The table below does not purport to summarize all expense accounts that may be associated with the provision of basic local exchange service but is included in order to illustrate the type of supporting documentation that is conspicuously absent from the BCM2.

The Massachusetts Cost of Service Study was presented at a level of detail sufficient to permit the kind of account-specific analysis that is presented here. Unfortunately, however, the BCM and BCM2 cost support is too aggregated to permit a similar account-specific examination at the national level. But the absence of detail *that is within the control of the ILECs and that could have been provided* should not be permitted to foreclose appropriate and accurate regulatory review. The pervasive use of companywide averages or aggregates as being representative of the costs properly *caused* by basic primary residential exchange access lines (the current universal service baseline) produces a systematic bias in which the costs of this service are consistently overstated. It would be a monumental error to permit such consistently overstated costs to drive national or state telecommunications policy. Before federal or state regulators can make decisions as to the appropriate components of cost factors, it is critical that the ILECs be required to provide account-specific information with narratives and explanations of the purposes of the accounts, so as to permit service-level disaggregation. Furthermore, expense information needs to be provided separately for (a) primary residential basic local exchange service and (b) additional residential exchange service and business service.

14. For runs of the BCM2 that include business lines, the expense factors should clearly reflect some expenses associated with providing basic local exchange service. However, the expense factor should not reflect the disproportionate level of expenses caused by activities such as marketing, advertising, and sales. The legitimate expenses are those associated with providing basic local exchange service.

Appendix 3A: Analysis of Selected LEC Expense Accounts

| <p align="center">Table App-3A Illustrative Analysis of Non-Plant-Related Expenses (000s omitted)</p> | | | | | |
|--|-------------|--------------------------|--------------------|-----------------------------------|-----------------------|
| | | | All Reporting LECs | | |
| Line No. | Account No. | Item | As Filed | Partially Corrected (upper bound) | Percent (upper bound) |
| 257 | 6611 | Product Management | \$958,201 | \$153,312 | 16.0% |
| 258 | 6612 | Sales | \$1,934,013 | 0 | 0 |
| 259 | 6613 | Product Advertising | \$600,470 | 0 | 0 |
| 260 | 6610 | Total Marketing Expenses | \$3,492,684 | \$153,312 | 4.4% |
| 261 | 6621 | Call Completion Services | \$734,690 | 0 | 0 |
| 262 | 6622 | Number Services | \$2,201,208 | 0 | 0 |
| 270 | 6722 | External Relations | \$764,039 | 0 | 0 |
| | | TOTAL | \$7,192,621 | \$153,312 | 2.1% |
| <p>Note: Selected accounts shown for Tier I LECs. Sources: Statistics of Common Carriers, 1994/1995, Table 2.9; Massachusetts NYNEX Cost of Service Study, 12 Months Ended November 30, 1992.</p> | | | | | |

COSS ASSIGNMENT NARRATIVE FORM

MASSACHUSETTS 1992

Account Number: 6611
Account Name: Product Management
Account Dollars: \$46,158,245

Allocation Description:

This account includes costs incurred in performing administrative activities related to marketing products and services. This includes competitive analysis, product and service identification and specification, test market planning, demand forecasting, product life cycle analysis, pricing analysis and identification and establishment of distribution channels.

These expenses are grouped into three areas by Functional Accounting:

Market Forecasting - the costs incurred to provide forecasts of current and future Residence and Business markets.

Rates and Tariffs - the costs incurred to support: analyzing costs and revenues; interpreting customer trends, conditions, and the regulatory environment; developing rates, regulatory support and testimony.

Market Management and Planning - the costs incurred to identify, quantify and plan for customer requirements for new or changed communications services.

Allocation Narrative:

Functional Accounting (FA) data are used to distribute the total account expense into the functional areas described above.

The Business Market Forecasting expenses are assigned to the various service categories and customer classes based on an account group secondary allocator. The Residence Marketing expenses are assigned to the various service categories and Residence customer class based on an account group secondary allocator. Subparts 01 and 02 respectively.

The Rates and Tariffs expenses are identified as: Exchange Basic and Vertical; Intrastate MTS and Private Line; Interstate MTS and Private Line; and Customer Premises Services. The Basic Exchange expenses are assigned to Access Intraoffice Line and the customer classes based on the distribution of channels. The Vertical Exchange expenses are assigned to Switching CO Supplemental and the customer classes based on the distribution of service orders. The Intrastate MTS expenses are assigned to Transport Interoffice Toll and Operator based on toll messages and to the customer classes based on toll minutes of use. The Intrastate Private Line expenses are assigned to the various service categories and Private Line customer class based on an account group secondary allocator. The Interstate MTS expenses are assigned to Transport Interoffice Toll and Operator based on toll messages and to the Carrier customer class. The Interstate Private Line expenses are assigned to Transport Interoffice Toll and the Special Access customer class. The Customer Premises Services expenses are assigned to Access Intraoffice Line and the customer classes based on the distribution of channels. Subparts 03 through 09 respectively.

COSS ASSIGNMENT NARRATIVE FORM

MASSACHUSETTS 1992

Account Number: 6611
Account Name: Product Management
Account Dollars: \$46,158,245

Allocation Narrative:

The Business Market Management and Planning expenses are assigned to the various service categories and customer classes based on an account group secondary allocator. The Public Market Management and Planning expenses are assigned to the various service categories and the Coin customer class based on the allocation of Account 6623.32. The Residence Market Management and Planning expenses are assigned to the various service categories and the Residence customer class based on an account group secondary allocator. The Residence Usage Planning expenses are directly assigned to Transport Interoffice Toll and the Residence customer class, Subparts 10 through 13 respectively.

Intrastate results are determined as follows:

1. Interim intrastate results are obtained by subtracting the interstate amounts represented by the Special Access and Carrier Switched customer classes from the total results.
2. The account interim intrastate amount is compared to the Company's booked intrastate value. The difference reflects non-cost based assignments to interstate and the remaining intrastate assignment associated with the proportion of the account that is driven on a secondary basis.
3. To balance to the Company's intrastate books this difference is spread to customer classes affected in proportion to the distribution of the interim intrastate results.

Data Sources Used:

Functional Accounting
Loop/Line Study
Minutes of Use

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MASSACHUSETTS 12 MONTHS ENDED 11/30/92 COMBINED OPERATIONS COSS CONTROL FORM

PAGE 1

ACCOUNT NUMBER : 6611
ACCOUNT NAME : PRODUCT MANAGEMENT
ACCOUNT DOLLAR : \$

46,158,245

| S U B P A R T | FUNCTION/SERVICE | BASIS OF ASSIGNMENT | ASSIGNMENT CLARIFIER |
|------------------------------|------------------|--|---|
| SP01 MKT FORECAST - BUS | F6 H17 \$ | 1,087,621 SEC - G2XXXP2 (2211-2232 & 2411-2441) | F4(Subtotal without Common)/MVSP(All BUT Residence, Coin, |
| SP02 MKT FORECAST - RES | F6 H17 | 975,258 SEC - G2XXXP2 (2211-2232 & 2411-2441) | F4(Subtotal without Common)/V01(Residence only) |
| SP03 RATE & TAR - BASIC | F1 H01 | 760,770 CHL 11 (W/O PL,SA,MOBILE,COIN) | H01(Intraoffice-Line) |
| SP04 RATE & TAR - VERT | F2 H14 | 577,254 DIRECT (See Attachment) | |
| SP05 RATE & TAR - INTRA MTS | F3 H07 | 1,243,500 MOU 13 (TOTAL TOLL) | H07(Interoffice-Toll) |
| SP05 " | F3 H12 | 42,064 MSG 4 (CCS (24 HOUR)) | H12(Operator Services) |
| SUBPART Grand Total | | 1,285,564 | |
| SP06 RATE & TAR - PL | F4 H17 | 136,578 SEC - G2XXXP2 (2211-2232 & 2411-2441) | F4(Subtotal without Common)/V26(Private Line only) |
| SP07 RATE & TAR-INTER MTS | F3 H07 | 257,997 DIRECT (See Attachment) | |
| SP07 " | F3 H12 | 8,727 DIRECT (See Attachment) | |
| SUBPART Grand Total | | 266,724 | |
| SP08 RATE & TAR - INTER - PL | F3 H07 | 52,603 DIRECT (See Attachment) | |
| SP09 RATE & TAR - CUST PREM | F1 H01 | 300,223 CHL 15 (STA APP W/O RES,PL,SA,COIN,MOB) | H01(Intraoffice-Line) |
| SP10 MKT MGT & PLNG - BUS | F6 H17 | 38,923,436 SEC - G2XXXP2 (2211-2232 & 2411-2441) | F4(Subtotal without Common)/MVSP(All BUT Residence, Coin, |
| SP11 MKT MGT & PLNG - PUB | F6 H17 | 320,280 SEC - 6623.3200 | SP02(PUB TEL COMM COIN) |
| SP12 MKT MGT & PLNG - RES | F6 H17 | 632,883 SEC - G2XXXP2 (2211-2232 & 2411-2441) | F4(Subtotal without Common)/V01(Residence only) |
| SP13 USAGE & MKT PLNG - RES | F3 H07 | 839,051 DIRECT (Residence only) | |

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| MASSACHUSETTS 12 MONTHS ENDED 11/30/92 COMBINED Operations | | | | | | | |
|--|--------------------|------------|---------|--------------------|--------------------|-----------------------|-----------|
| ACCOUNT 6611 | PRODUCT MANAGEMENT | | | | | | |
| ACCOUNT TOTAL | \$ | 46,158,245 | | | | | |
| | Residence | Business | Coin | Carrier Intrastate | Carrier Interstate | Cust. Class SUBTOTALS | Centrex |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 1,632,269 | 9,800,133 | 31,950 | 574,500 | 5,733,112 | 17,771,964 | 1,374,597 |
| Intraoff - Conn | 0 | 0 | 1,311 | 0 | 0 | 1,311 | 0 |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff - non Acc | 111,765 | 989,167 | 62,298 | 0 | 0 | 1,163,230 | 98,196 |
| Interoff - Local | 111,993 | 995,962 | 73,053 | 0 | 0 | 1,181,008 | 98,872 |
| Interoff - Toll | 59,619 | 1,024,208 | 59,134 | 333,592 | 3,307,754 | 4,784,307 | 55,890 |
| Directory Assis | 13,033 | 275,359 | 0 | 3,930 | 47,153 | 339,475 | 18,593 |
| Operator Serv | 1,273 | 62,438 | 97,137 | 0 | 0 | 160,848 | 3,939 |
| CO Suppl | 449,471 | 170,137 | 3,565 | 4 | 79 | 623,256 | 352,487 |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Local | 72,695 | 646,485 | 0 | 0 | 0 | 719,180 | 64,178 |
| Interoff - Toll | 1,840,636 | 2,666,097 | 39,550 | 26,200 | 250,343 | 4,822,826 | 144,907 |
| Directory Assis | 2,134 | 39,013 | 0 | 1,456 | 16,209 | 58,812 | 2,906 |
| Operator Serv | 6,179 | 26,305 | 28,913 | 800 | 7,927 | 70,124 | 1,120 |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 1,632,269 | 9,800,133 | 31,950 | 574,500 | 5,733,112 | 17,771,964 | 1,374,597 |
| Intraoff - Conn | 0 | 0 | 1,311 | 0 | 0 | 1,311 | 0 |
| Intraoff - non Acc | 111,765 | 989,167 | 62,298 | 0 | 0 | 1,163,230 | 98,196 |
| Interoff - Local | 184,688 | 1,642,447 | 73,053 | 0 | 0 | 1,900,188 | 163,050 |
| Interoff - Toll | 1,900,255 | 3,690,305 | 98,684 | 359,792 | 3,558,097 | 9,607,133 | 200,797 |
| Directory Assis | 15,167 | 314,372 | 0 | 5,386 | 63,362 | 398,287 | 21,499 |
| Operator Serv | 7,452 | 88,743 | 126,050 | 800 | 7,927 | 230,972 | 5,059 |
| CO Suppl | 449,471 | 170,137 | 3,565 | 4 | 79 | 623,256 | 352,487 |
| Totals | 4,301,067 | 16,695,304 | 396,911 | 940,482 | 9,362,577 | 31,696,341 | 2,215,685 |
| GRAND TOTAL | | | | | | | |
| Intraoff - Line | 1,632,269 | 9,800,133 | 31,950 | 574,500 | 5,733,112 | 17,771,964 | 1,374,597 |
| Intraoff - Conn | 0 | 0 | 1,311 | 0 | 0 | 1,311 | 0 |
| Intraoff - non Acc | 111,765 | 989,167 | 62,298 | 0 | 0 | 1,163,230 | 98,196 |
| Interoff - Local | 184,688 | 1,642,447 | 73,053 | 0 | 0 | 1,900,188 | 163,050 |
| Interoff - Toll | 1,900,255 | 3,690,305 | 98,684 | 359,792 | 3,558,097 | 9,607,133 | 200,797 |
| Directory Assis | 15,167 | 314,372 | 0 | 5,386 | 63,362 | 398,287 | 21,499 |
| Operator Serv | 7,452 | 88,743 | 126,050 | 800 | 7,927 | 230,972 | 5,059 |
| CO Suppl | 449,471 | 170,137 | 3,565 | 4 | 79 | 623,256 | 352,487 |
| Totals | 4,301,067 | 16,695,304 | 396,911 | 940,482 | 9,362,577 | 31,696,341 | 2,215,685 |

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MASSACHUSETTS 12 MONTHS ENDED 11/30/92 COMBINED Operations

| | | | | | | | |
|---------------------|----|--------------------|------------|------------|------------|------------|--------|
| ACCOUNT 6611 | | | | | | | |
| ACCOUNT TOTAL | \$ | PRODUCT MANAGEMENT | | | | | |
| | | 46,158,245 | | | | | |
| | | CPN | Spec. Acc. | Spec. Acc. | Priv. Line | Class | GRAND |
| | | | Intrastate | Interstate | | SUBTOTALS | TOTALS |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 21,249 | 422,012 | 2,197,051 | 4,014,909 | 21,786,872 | |
| Intraoff - Conn | 0 | 0 | 0 | 0 | 0 | 1,311 | |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 98,196 | 1,261,426 | |
| Interoff - Local | 0 | 0 | 0 | 0 | 98,872 | 1,279,880 | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 55,890 | 4,840,197 | |
| Directory Assis | 0 | 0 | 0 | 0 | 18,593 | 358,068 | |
| Operator Serv | 0 | 0 | 0 | 0 | 3,939 | 164,787 | |
| CO Suppl | 0 | 0 | 0 | 0 | 352,487 | 975,743 | |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Local | 0 | 0 | 0 | 81,765 | 145,943 | 865,123 | |
| Interoff - Toll | 0 | 41,032 | 3,403,149 | 6,079,962 | 9,669,050 | 14,491,876 | |
| Directory Assis | 0 | 0 | 0 | 0 | 2,906 | 61,718 | |
| Operator Serv | 0 | 0 | 0 | 0 | 1,120 | 71,244 | |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 0 | 21,249 | 422,012 | 2,197,051 | 4,014,909 | 21,786,872 | |
| Intraoff - Conn | 0 | 0 | 0 | 0 | 0 | 1,311 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 98,196 | 1,261,426 | |
| Interoff - Local | 0 | 0 | 0 | 81,765 | 244,815 | 2,145,003 | |
| Interoff - Toll | 0 | 41,032 | 3,403,149 | 6,079,962 | 9,724,940 | 19,332,073 | |
| Directory Assis | 0 | 0 | 0 | 0 | 21,499 | 419,786 | |
| Operator Serv | 0 | 0 | 0 | 0 | 5,059 | 236,031 | |
| CO Suppl | 0 | 0 | 0 | 0 | 352,487 | 975,743 | |
| Totals | 0 | 62,281 | 3,825,161 | 8,358,778 | 14,461,905 | 46,158,245 | |
| GRAND TOTAL | | | | | | | |
| Intraoff - Line | 0 | 21,249 | 422,012 | 2,197,051 | 4,014,909 | 21,786,872 | |
| Intraoff - Conn | 0 | 0 | 0 | 0 | 0 | 1,311 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 98,196 | 1,261,426 | |
| Interoff - Local | 0 | 0 | 0 | 81,765 | 244,815 | 2,145,003 | |
| Interoff - Toll | 0 | 41,032 | 3,403,149 | 6,079,962 | 9,724,940 | 19,332,073 | |
| Directory Assis | 0 | 0 | 0 | 0 | 21,499 | 419,786 | |
| Operator Serv | 0 | 0 | 0 | 0 | 5,059 | 236,031 | |
| CO Suppl | 0 | 0 | 0 | 0 | 352,487 | 975,743 | |
| Totals | 0 | 62,281 | 3,825,161 | 8,358,778 | 14,461,905 | 46,158,245 | |

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MASSACHUSETTS 12 MONTHS ENDED 11/30/92 Combined Operations

ACCOUNT 6611 PRODUCT MANAGEMENT

\$ 46,158,245

| | Residence | Business | Coin | Carrier Intrastate | Carrier Interstate | Centrex | Allocator |
|------------------------------------|-----------|----------|-------|--------------------|--------------------|---------|-----------------|
| SPO1 MKT FORECAST - BUS | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 254,666 | 0 | 15,614 | 155,791 | 35,109 | G2XXXP2 F4 NVSP |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff -non Acc | 0 | 26,889 | 0 | 0 | 0 | 2,669 | G2XXXP2 F4 NVSP |
| Interoff - Local | 0 | 27,073 | 0 | 0 | 0 | 2,688 | G2XXXP2 F4 NVSP |
| Interoff - Toll | 0 | 27,841 | 0 | 9,068 | 89,915 | 1,519 | G2XXXP2 F4 NVSP |
| Directory Assis | 0 | 7,485 | 0 | 107 | 1,282 | 505 | G2XXXP2 F4 NVSP |
| Operator Serv | 0 | 1,697 | 0 | 0 | 0 | 107 | G2XXXP2 F4 NVSP |
| CO Suppl | 0 | 1,991 | 0 | 0 | 2 | 8,669 | G2XXXP2 F4 NVSP |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Local | 0 | 17,573 | 0 | 0 | 0 | 1,745 | G2XXXP2 F4 NVSP |
| Interoff - Toll | 0 | 63,724 | 0 | 69 | 435 | 3,477 | G2XXXP2 F4 NVSP |
| Directory Assis | 0 | 1,060 | 0 | 40 | 441 | 79 | G2XXXP2 F4 NVSP |
| Operator Serv | 0 | 521 | 0 | 0 | 0 | 22 | G2XXXP2 F4 NVSP |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 0 | 254,666 | 0 | 15,614 | 155,791 | 35,109 | |
| Intraoff -non Acc | 0 | 26,889 | 0 | 0 | 0 | 2,669 | |
| Interoff - Local | 0 | 44,646 | 0 | 0 | 0 | 4,433 | |
| Interoff - Toll | 0 | 91,565 | 0 | 9,137 | 90,350 | 4,996 | |
| Directory Assis | 0 | 8,545 | 0 | 147 | 1,723 | 584 | |
| Operator Serv | 0 | 2,218 | 0 | 0 | 0 | 129 | |
| CO Suppl | 0 | 1,991 | 0 | 0 | 2 | 8,669 | |
| SPO2 MKT FORECAST - RES | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 662,501 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff -non Acc | 67,780 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Interoff - Local | 67,918 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Interoff - Toll | 36,156 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Directory Assis | 7,904 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Operator Serv | 772 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| CO Suppl | 3,791 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Local | 44,086 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Interoff - Toll | 82,755 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Directory Assis | 1,294 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Operator Serv | 300 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 662,501 | 0 | 0 | 0 | 0 | 0 | |
| Intraoff -non Acc | 67,780 | 0 | 0 | 0 | 0 | 0 | |
| Interoff - Local | 112,004 | 0 | 0 | 0 | 0 | 0 | |
| Interoff - Toll | 118,911 | 0 | 0 | 0 | 0 | 0 | |
| Directory Assis | 9,198 | 0 | 0 | 0 | 0 | 0 | |
| Operator Serv | 1,072 | 0 | 0 | 0 | 0 | 0 | |
| CO Suppl | 3,791 | 0 | 0 | 0 | 0 | 0 | |
| SPO3 RATE & TAR - BASIC | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 539,845 | 181,417 | 4,603 | 0 | 0 | 34,905 | CML 11 |
| SPO4 RATE & TAR - VERT | | | | | | | |
| SWITCHING FUNCTION | | | | | | | |
| CO Suppl | 443,220 | 96,908 | 3,565 | 0 | 0 | 33,561 | DIRECT |

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MASSACHUSETTS 12 MONTHS ENDED 11/30/92 Combined Operations

ACCOUNT 6611 PRODUCT MANAGEMENT

| | CPN | Spec. Acc. Intrastate | Spec. Acc. Interstate | Private Line | \$ GRAND TOTALS | 46,158,245 Allocator |
|------------------------------------|-----|--------------------------|--------------------------|--------------|-----------------------|-------------------------|
| SP01 MKT FORECAST - BUS | | | | | | |
| ACCESS FUNCTION | | | | | | |
| Intraoff - Line | 0 | 578 | 11,472 | 58,747 | 531,977 | G2XXXP2 F4 NVSP |
| SWITCHING FUNCTION | | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 29,558 | G2XXXP2 F4 NVSP |
| Interoff - Local | 0 | 0 | 0 | 0 | 29,761 | G2XXXP2 F4 NVSP |
| Interoff - Toll | 0 | 0 | 0 | 0 | 128,343 | G2XXXP2 F4 NVSP |
| Directory Assis | 0 | 0 | 0 | 0 | 9,379 | G2XXXP2 F4 NVSP |
| Operator Serv | 0 | 0 | 0 | 0 | 1,804 | G2XXXP2 F4 NVSP |
| CO Suppl | 0 | 0 | 0 | 0 | 10,662 | G2XXXP2 F4 NVSP |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Local | 0 | 0 | 0 | 2,186 | 21,504 | G2XXXP2 F4 NVSP |
| Interoff - Toll | 0 | 1,049 | 91,145 | 162,571 | 322,470 | G2XXXP2 F4 NVSP |
| Directory Assis | 0 | 0 | 0 | 0 | 1,620 | G2XXXP2 F4 NVSP |
| Operator Serv | 0 | 0 | 0 | 0 | 543 | G2XXXP2 F4 NVSP |
| SUBTOTAL W/O COMMON | | | | | | |
| Intraoff - Line | 0 | 578 | 11,472 | 58,747 | 531,977 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 29,558 | |
| Interoff - Local | 0 | 0 | 0 | 2,186 | 51,265 | |
| Interoff - Toll | 0 | 1,049 | 91,145 | 162,571 | 450,813 | |
| Directory Assis | 0 | 0 | 0 | 0 | 10,999 | |
| Operator Serv | 0 | 0 | 0 | 0 | 2,347 | |
| CO Suppl | 0 | 0 | 0 | 0 | 10,662 | |
| SP02 MKT FORECAST - RES | | | | | | |
| ACCESS FUNCTION | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 662,501 | G2XXXP2 F4 V01 |
| SWITCHING FUNCTION | | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 67,780 | G2XXXP2 F4 V01 |
| Interoff - Local | 0 | 0 | 0 | 0 | 67,918 | G2XXXP2 F4 V01 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 36,156 | G2XXXP2 F4 V01 |
| Directory Assis | 0 | 0 | 0 | 0 | 7,904 | G2XXXP2 F4 V01 |
| Operator Serv | 0 | 0 | 0 | 0 | 772 | G2XXXP2 F4 V01 |
| CO Suppl | 0 | 0 | 0 | 0 | 3,791 | G2XXXP2 F4 V01 |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Local | 0 | 0 | 0 | 0 | 44,086 | G2XXXP2 F4 V01 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 82,755 | G2XXXP2 F4 V01 |
| Directory Assis | 0 | 0 | 0 | 0 | 1,294 | G2XXXP2 F4 V01 |
| Operator Serv | 0 | 0 | 0 | 0 | 300 | G2XXXP2 F4 V01 |
| SUBTOTAL W/O COMMON | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 662,501 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 67,780 | |
| Interoff - Local | 0 | 0 | 0 | 0 | 112,004 | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 118,911 | |
| Directory Assis | 0 | 0 | 0 | 0 | 9,198 | |
| Operator Serv | 0 | 0 | 0 | 0 | 1,072 | |
| CO Suppl | 0 | 0 | 0 | 0 | 3,791 | |
| SP03 RATE & TAR - BASIC | | | | | | |
| ACCESS FUNCTION | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 760,770 | CHL 11 |
| SP04 RATE & TAR - VERT | | | | | | |
| SWITCHING FUNCTION | | | | | | |
| CO Suppl | 0 | 0 | 0 | 0 | 577,254 | DIRECT |

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MASSACHUSETTS 12 MONTHS ENDED 11/30/92 Combined Operations

ACCOUNT 6611 PRODUCT MANAGEMENT

\$ 46,158,245

| | Residence ----- | Business ----- | Coin ---- | Carrier Intrastate ----- | Carrier Interstate ----- | Centrex ----- | Allocator ----- |
|---|--------------------|-------------------|--------------|--------------------------------|--------------------------------|------------------|--------------------|
| SPO5 RATE & TAR - INTRA MTS | | | | | | | |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Toll | 865,127 | 321,840 | 39,550 | 0 | 0 | 16,983 | MOU 13 |
| Operator Serv | 5,684 | 7,162 | 28,913 | 0 | 0 | 305 | MSG 4 |
| SPO6 RATE & TAR - PL | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Interoff - Local | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Directory Assis | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Operator Serv | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| CO Suppl | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Local | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Directory Assis | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Operator Serv | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 0 | 0 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 0 | 0 | |
| Interoff - Local | 0 | 0 | 0 | 0 | 0 | 0 | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 0 | 0 | |
| Directory Assis | 0 | 0 | 0 | 0 | 0 | 0 | |
| Operator Serv | 0 | 0 | 0 | 0 | 0 | 0 | |
| CO Suppl | 0 | 0 | 0 | 0 | 0 | 0 | |
| SPO7 RATE & TAR-INTER MTS | | | | | | | |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Toll | 0 | 0 | 0 | 23,649 | 234,348 | 0 | DIRECT |
| Operator Serv | 0 | 0 | 0 | 800 | 7,927 | 0 | DIRECT |
| SPO8 RATE & TAR - INTER - PL | | | | | | | |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 0 | 0 | DIRECT |
| SPO9 RATE & TAR - CUST PREM | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 250,096 | 0 | 92 | 1,917 | 48,119 | CHL 15 |
| SP10 MKT MGT & PLNG - BUS | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 9,113,954 | 0 | 558,794 | 5,575,404 | 1,256,464 | G2XXXP2 F4 NVSP |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff -non Acc | 0 | 962,278 | 0 | 0 | 0 | 95,527 | G2XXXP2 F4 NVSP |
| Interoff - Local | 0 | 968,889 | 0 | 0 | 0 | 96,184 | G2XXXP2 F4 NVSP |
| Interoff - Toll | 0 | 996,367 | 0 | 324,524 | 3,217,839 | 54,371 | G2XXXP2 F4 NVSP |
| Directory Assis | 0 | 267,874 | 0 | 3,823 | 45,871 | 18,088 | G2XXXP2 F4 NVSP |
| Operator Serv | 0 | 60,741 | 0 | 0 | 0 | 3,832 | G2XXXP2 F4 NVSP |
| CO Suppl | 0 | 71,238 | 0 | 4 | 77 | 310,257 | G2XXXP2 F4 NVSP |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Local | 0 | 628,912 | 0 | 0 | 0 | 62,433 | G2XXXP2 F4 NVSP |
| Interoff - Toll | 0 | 2,280,533 | 0 | 2,482 | 15,560 | 124,447 | G2XXXP2 F4 NVSP |
| Directory Assis | 0 | 37,953 | 0 | 1,416 | 15,768 | 2,827 | G2XXXP2 F4 NVSP |
| Operator Serv | 0 | 18,622 | 0 | 0 | 0 | 793 | G2XXXP2 F4 NVSP |

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MASSACHUSETTS 12 MONTHS ENDED 11/30/92 Combined Operations

ACCOUNT 6611 PRODUCT MANAGEMENT

| | CPN | Spec. Acc. Intrastate | Spec. Acc. Interstate | Private Line | \$ GRAND TOTALS | 46,158,245 Allocator |
|---|-----|--------------------------|--------------------------|--------------|-----------------------|-------------------------|
| SP05 RATE & TAR - INTRA MTS | | | | | | |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 1,243,500 | MOU 13 |
| Operator Serv | 0 | 0 | 0 | 0 | 42,064 | MSG 4 |
| SP06 RATE & TAR - PL | | | | | | |
| ACCESS FUNCTION | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 35,899 | 35,899 | G200XP2 F4 V26 |
| SWITCHING FUNCTION | | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 0 | G200XP2 F4 V26 |
| Interoff - Local | 0 | 0 | 0 | 0 | 0 | G200XP2 F4 V26 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 0 | G200XP2 F4 V26 |
| Directory Assis | 0 | 0 | 0 | 0 | 0 | G200XP2 F4 V26 |
| Operator Serv | 0 | 0 | 0 | 0 | 0 | G200XP2 F4 V26 |
| CO Suppl | 0 | 0 | 0 | 0 | 0 | G200XP2 F4 V26 |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Local | 0 | 0 | 0 | 1,336 | 1,336 | G200XP2 F4 V26 |
| Interoff - Toll | 0 | 0 | 0 | 99,343 | 99,343 | G200XP2 F4 V26 |
| Directory Assis | 0 | 0 | 0 | 0 | 0 | G200XP2 F4 V26 |
| Operator Serv | 0 | 0 | 0 | 0 | 0 | G200XP2 F4 V26 |
| SUBTOTAL W/O COMMON | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 35,899 | 35,899 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 0 | |
| Interoff - Local | 0 | 0 | 0 | 1,336 | 1,336 | |
| Interoff - Toll | 0 | 0 | 0 | 99,343 | 99,343 | |
| Directory Assis | 0 | 0 | 0 | 0 | 0 | |
| Operator Serv | 0 | 0 | 0 | 0 | 0 | |
| CO Suppl | 0 | 0 | 0 | 0 | 0 | |
| SP07 RATE & TAR-INTER MTS | | | | | | |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 257,997 | DIRECT |
| Operator Serv | 0 | 0 | 0 | 0 | 8,727 | DIRECT |
| SP08 RATE & TAR - INTER - PL | | | | | | |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Toll | 0 | 2,454 | 50,149 | 0 | 52,603 | DIRECT |
| SP09 RATE & TAR - CUST PREM | | | | | | |
| ACCESS FUNCTION | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 300,223 | CHL 15 |
| SP10 MKT MGT & PLNG - BUS | | | | | | |
| ACCESS FUNCTION | | | | | | |
| Intraoff - Line | 0 | 20,671 | 410,540 | 2,102,405 | 19,038,232 | G200XP2 F4 NVSP |
| SWITCHING FUNCTION | | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 1,057,805 | G200XP2 F4 NVSP |
| Interoff - Local | 0 | 0 | 0 | 0 | 1,065,073 | G200XP2 F4 NVSP |
| Interoff - Toll | 0 | 0 | 0 | 0 | 4,593,101 | G200XP2 F4 NVSP |
| Directory Assis | 0 | 0 | 0 | 0 | 335,656 | G200XP2 F4 NVSP |
| Operator Serv | 0 | 0 | 0 | 0 | 64,573 | G200XP2 F4 NVSP |
| CO Suppl | 0 | 0 | 0 | 0 | 381,576 | G200XP2 F4 NVSP |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Local | 0 | 0 | 0 | 78,243 | 769,588 | G200XP2 F4 NVSP |
| Interoff - Toll | 0 | 37,529 | 3,261,855 | 5,818,048 | 11,540,454 | G200XP2 F4 NVSP |
| Directory Assis | 0 | 0 | 0 | 0 | 57,964 | G200XP2 F4 NVSP |
| Operator Serv | 0 | 0 | 0 | 0 | 19,415 | G200XP2 F4 NVSP |

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MASSACHUSETTS 12 MONTHS ENDED 11/30/92 Combined Operations

ACCOUNT 6611 PRODUCT MANAGEMENT

\$ 46,158,245

| | Residence | Business | Coin | Carrier Intrastate | Carrier Interstate | Centrex | Allocator |
|---|-----------|-----------|--------|--------------------|--------------------|-----------|----------------|
| SP10 MKT MGT & PLNG - BUS (Cont) | | | | | | | |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 0 | 9,113,954 | 0 | 558,794 | 5,575,404 | 1,256,464 | |
| Intraoff -non Acc | 0 | 962,278 | 0 | 0 | 0 | 95,527 | |
| Interoff - Local | 0 | 1,597,801 | 0 | 0 | 0 | 158,617 | |
| Interoff - Toll | 0 | 3,276,900 | 0 | 327,006 | 3,233,399 | 178,818 | |
| Directory Assis | 0 | 305,827 | 0 | 5,239 | 61,639 | 20,915 | |
| Operator Serv | 0 | 79,363 | 0 | 0 | 0 | 4,625 | |
| CO Suppl | 0 | 71,238 | 0 | 4 | 77 | 310,257 | |
| SP11 MKT MGT & PLNG - PUB | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 0 | 27,347 | 0 | 0 | 0 | 6623.3200 SP02 |
| Intraoff - Conn | 0 | 0 | 1,311 | 0 | 0 | 0 | 6623.3200 SP02 |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff -non Acc | 0 | 0 | 62,298 | 0 | 0 | 0 | 6623.3200 SP02 |
| Interoff - Local | 0 | 0 | 73,053 | 0 | 0 | 0 | 6623.3200 SP02 |
| Interoff - Toll | 0 | 0 | 59,134 | 0 | 0 | 0 | 6623.3200 SP02 |
| Operator Serv | 0 | 0 | 97,137 | 0 | 0 | 0 | 6623.3200 SP02 |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 0 | 0 | 27,347 | 0 | 0 | 0 | |
| Intraoff - Conn | 0 | 0 | 1,311 | 0 | 0 | 0 | |
| Intraoff -non Acc | 0 | 0 | 62,298 | 0 | 0 | 0 | |
| Interoff - Local | 0 | 0 | 73,053 | 0 | 0 | 0 | |
| Interoff - Toll | 0 | 0 | 59,134 | 0 | 0 | 0 | |
| Operator Serv | 0 | 0 | 97,137 | 0 | 0 | 0 | |
| SP12 MKT MGT & PLNG - RES | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 429,923 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff -non Acc | 43,985 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Interoff - Local | 44,075 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Interoff - Toll | 23,463 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Directory Assis | 5,129 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Operator Serv | 501 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| CO Suppl | 2,460 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Local | 28,609 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Interoff - Toll | 53,703 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Directory Assis | 840 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Operator Serv | 195 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 429,923 | 0 | 0 | 0 | 0 | 0 | |
| Intraoff -non Acc | 43,985 | 0 | 0 | 0 | 0 | 0 | |
| Interoff - Local | 72,684 | 0 | 0 | 0 | 0 | 0 | |
| Interoff - Toll | 77,166 | 0 | 0 | 0 | 0 | 0 | |
| Directory Assis | 5,969 | 0 | 0 | 0 | 0 | 0 | |
| Operator Serv | 696 | 0 | 0 | 0 | 0 | 0 | |
| CO Suppl | 2,460 | 0 | 0 | 0 | 0 | 0 | |
| SP13 USAGE & MKT PLNG - RES | | | | | | | |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Toll | 839,051 | 0 | 0 | 0 | 0 | 0 | DIRECT |

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MASSACHUSETTS 12 MONTHS ENDED 11/30/92 Combined Operations

ACCOUNT 6611 PRODUCT MANAGEMENT

| | CPM | Spec. Acc. Intrastate | Spec. Acc. Interstate | Private Line | \$ GRAND TOTALS | 46,158,245 Allocator |
|---|-----|--------------------------|--------------------------|--------------|-----------------------|-------------------------|
| SP10 MKT MGT & PLNG - BUS (Cont) | | | | | | |
| SUBTOTAL W/O COMMON | | | | | | |
| Intraoff - Line | 0 | 20,671 | 410,540 | 2,102,405 | 19,038,232 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 1,057,805 | |
| Interoff - Local | 0 | 0 | 0 | 78,243 | 1,834,661 | |
| Interoff - Toll | 0 | 37,529 | 3,261,855 | 5,818,048 | 16,133,555 | |
| Directory Assis | 0 | 0 | 0 | 0 | 393,620 | |
| Operator Serv | 0 | 0 | 0 | 0 | 83,988 | |
| CO Suppl | 0 | 0 | 0 | 0 | 381,576 | |
| SP11 MKT MGT & PLNG - PUB | | | | | | |
| ACCESS FUNCTION | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 27,347 | 6623.3200 SP02 |
| Intraoff - Conn | 0 | 0 | 0 | 0 | 1,311 | 6623.3200 SP02 |
| SWITCHING FUNCTION | | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 62,298 | 6623.3200 SP02 |
| Interoff - Local | 0 | 0 | 0 | 0 | 73,053 | 6623.3200 SP02 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 59,134 | 6623.3200 SP02 |
| Operator Serv | 0 | 0 | 0 | 0 | 97,137 | 6623.3200 SP02 |
| SUBTOTAL W/O COMMON | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 27,347 | |
| Intraoff - Conn | 0 | 0 | 0 | 0 | 1,311 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 62,298 | |
| Interoff - Local | 0 | 0 | 0 | 0 | 73,053 | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 59,134 | |
| Operator Serv | 0 | 0 | 0 | 0 | 97,137 | |
| SP12 MKT MGT & PLNG - RES | | | | | | |
| ACCESS FUNCTION | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 429,923 | G2XXXP2 F4 V01 |
| SWITCHING FUNCTION | | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 43,985 | G2XXXP2 F4 V01 |
| Interoff - Local | 0 | 0 | 0 | 0 | 44,075 | G2XXXP2 F4 V01 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 23,463 | G2XXXP2 F4 V01 |
| Directory Assis | 0 | 0 | 0 | 0 | 5,129 | G2XXXP2 F4 V01 |
| Operator Serv | 0 | 0 | 0 | 0 | 501 | G2XXXP2 F4 V01 |
| CO Suppl | 0 | 0 | 0 | 0 | 2,460 | G2XXXP2 F4 V01 |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Local | 0 | 0 | 0 | 0 | 28,609 | G2XXXP2 F4 V01 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 53,703 | G2XXXP2 F4 V01 |
| Directory Assis | 0 | 0 | 0 | 0 | 840 | G2XXXP2 F4 V01 |
| Operator Serv | 0 | 0 | 0 | 0 | 195 | G2XXXP2 F4 V01 |
| SUBTOTAL W/O COMMON | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 429,923 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 43,985 | |
| Interoff - Local | 0 | 0 | 0 | 0 | 72,684 | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 77,166 | |
| Directory Assis | 0 | 0 | 0 | 0 | 5,969 | |
| Operator Serv | 0 | 0 | 0 | 0 | 696 | |
| CO Suppl | 0 | 0 | 0 | 0 | 2,460 | |
| SP13 USAGE & MKT PLNG - RES | | | | | | |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 839,051 | DIRECT |

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MASSACHUSETTS 12 MONTHS ENDED 11/30/92 INTRASTATE OPERATIONS COSS CONTROL FORM

PAGE 1

ACCOUNT NUMBER : 6611
 ACCOUNT NAME : PRODUCT MANAGEMENT
 ACCOUNT DOLLAR : \$

33,271,498

| S U B P A R T | FUNCTION/SERVICE | BASIS OF ASSIGNMENT | ASSIGNMENT CLARIFIER |
|------------------------------|------------------|--|---|
| SP01 MKT FORECAST - BUS | F6 H17 \$ | 743,873 SEC - G2XXXP2 (2211-2232 & 2411-2441) | F4(Subtotal without Common)/NVSP(All BUT Residence, Coin, |
| SP02 MKT FORECAST - RES | F6 H17 | 984,167 SEC - G2XXXP2 (2211-2232 & 2411-2441) | F4(Subtotal without Common)/V01(Residence only) |
| SP03 RATE & TAR - BASIC | F1 H01 | 767,721 CHL 11 (W/O PL,SA,MOBILE,COIN) | H01(Intraoffice-Line) |
| SP04 RATE & TAR - VERT | F2 H14 | 582,529 DIRECT (See Attachment) | |
| SP05 RATE & TAR - INTRA MTS | F3 H07 | 1,254,861 MOU 13 (TOTAL TOLL) | H07(Interoffice-Toll) |
| SP05 " | F3 H12 | 42,448 MSG 4 (CCS (24 HOUR)) | H12(Operator Services) |
| SUBPART Grand Total | | 1,297,309 | |
| SP06 RATE & TAR - PL | F4 H17 | 137,826 SEC - G2XXXP2 (2211-2232 & 2411-2441) | F4(Subtotal without Common)/V26(Private Line only) |
| SP07 RATE & TAR-INTER MTS | F3 H07 | 23,649 DIRECT (Carrier-Intrastate only) | |
| SP07 " | F3 H12 | 800 DIRECT (Carrier-Intrastate only) | |
| SUBPART Grand Total | | 24,449 | |
| SP08 RATE & TAR - INTER - PL | F3 H07 | 2,454 DIRECT (Spec Acc-Intrastate only) | |
| SP09 RATE & TAR - CUST PREM | F1 H01 | 301,031 CHL 15 (STA APP W/O RES,PL,SA,COIN,MOB) | H01(Intraoffice-Line) |
| SP10 MKT MGT & PLNG - BUS | F6 H17 | 26,621,551 SEC - G2XXXP2 (2211-2232 & 2411-2441) | F4(Subtotal without Common)/NVSP(All BUT Residence, Coin, |
| SP11 MKT MGT & PLNG - PUB | F6 H17 | 323,206 SEC - 6623.3200 | SP02(PUB TEL COMM COIN) |
| SP12 MKT MGT & PLNG - RES | F6 H17 | 638,665 SEC - G2XXXP2 (2211-2232 & 2411-2441) | F4(Subtotal without Common)/V01(Residence only) |
| SP13 USAGE & MKT PLNG - RES | F3 H07 | 846,717 DIRECT (Residence only) | |

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00013

MASSACHUSETTS 12 MONTHS ENDED 11/30/92 INTRASTATE Operations

| | | | | | | | |
|---------------------|--------------------|------------|---------|--------------------|--------------------|-----------------------|-----------|
| ACCOUNT 6611 | PRODUCT MANAGEMENT | | | | | | |
| ACCOUNT TOTAL | \$ | 33,271,498 | | | | | |
| | Residence | Business | Coin | Carrier Intrastate | Carrier Interstate | Cust. Class SUBTOTALS | Centrex |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 1,526,496 | 8,049,894 | 32,242 | 647,106 | 0 | 10,255,738 | 1,136,817 |
| Intraoff - Conn | 0 | 0 | 1,323 | 0 | 0 | 1,323 | 0 |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff -non Acc | 139,472 | 1,114,906 | 62,867 | 0 | 0 | 1,317,245 | 110,680 |
| Interoff - Local | 139,757 | 1,122,568 | 73,720 | 0 | 0 | 1,336,045 | 111,439 |
| Interoff - Toll | 74,399 | 1,154,403 | 59,675 | 375,998 | 0 | 1,664,475 | 62,995 |
| Directory Assis | 14,906 | 284,433 | 0 | 4,058 | 0 | 303,397 | 19,206 |
| Operator Serv | 1,507 | 66,746 | 98,024 | 0 | 0 | 166,277 | 4,210 |
| CO Suppl | 453,912 | 176,717 | 3,598 | 4 | 0 | 634,231 | 391,339 |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Local | 90,717 | 728,665 | 0 | 0 | 0 | 819,382 | 72,336 |
| Interoff - Toll | 1,890,177 | 2,969,231 | 39,911 | 26,421 | 0 | 4,925,740 | 161,444 |
| Directory Assis | 2,666 | 44,012 | 0 | 1,643 | 0 | 48,321 | 3,278 |
| Operator Serv | 6,354 | 28,823 | 29,177 | 800 | 0 | 65,154 | 1,228 |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 1,526,496 | 8,049,894 | 32,242 | 647,106 | 0 | 10,255,738 | 1,136,817 |
| Intraoff - Conn | 0 | 0 | 1,323 | 0 | 0 | 1,323 | 0 |
| Intraoff -non Acc | 139,472 | 1,114,906 | 62,867 | 0 | 0 | 1,317,245 | 110,680 |
| Interoff - Local | 230,474 | 1,851,233 | 73,720 | 0 | 0 | 2,155,427 | 183,775 |
| Interoff - Toll | 1,964,576 | 4,123,634 | 99,586 | 402,419 | 0 | 6,590,215 | 224,439 |
| Directory Assis | 17,572 | 328,445 | 0 | 5,701 | 0 | 351,718 | 22,484 |
| Operator Serv | 7,861 | 95,569 | 127,201 | 800 | 0 | 231,431 | 5,438 |
| CO Suppl | 453,912 | 176,717 | 3,598 | 4 | 0 | 634,231 | 391,339 |
| Totals | 4,340,363 | 15,740,398 | 400,537 | 1,056,030 | 0 | 21,537,328 | 2,074,972 |
| GRAND TOTAL | | | | | | | |
| Intraoff - Line | 1,526,496 | 8,049,894 | 32,242 | 647,106 | 0 | 10,255,738 | 1,136,817 |
| Intraoff - Conn | 0 | 0 | 1,323 | 0 | 0 | 1,323 | 0 |
| Intraoff -non Acc | 139,472 | 1,114,906 | 62,867 | 0 | 0 | 1,317,245 | 110,680 |
| Interoff - Local | 230,474 | 1,851,233 | 73,720 | 0 | 0 | 2,155,427 | 183,775 |
| Interoff - Toll | 1,964,576 | 4,123,634 | 99,586 | 402,419 | 0 | 6,590,215 | 224,439 |
| Directory Assis | 17,572 | 328,445 | 0 | 5,701 | 0 | 351,718 | 22,484 |
| Operator Serv | 7,861 | 95,569 | 127,201 | 800 | 0 | 231,431 | 5,438 |
| CO Suppl | 453,912 | 176,717 | 3,598 | 4 | 0 | 634,231 | 391,339 |
| Totals | 4,340,363 | 15,740,398 | 400,537 | 1,056,030 | 0 | 21,537,328 | 2,074,972 |

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| ACCOUNT 6611 | | MASSACHUSETTS 12 MONTHS ENDED 11/30/92 INTRASTATE Operations | | | | | |
|----------------------------|-----|--|--------------------------|------------|--------------------|-----------------|--|
| ACCOUNT TOTAL \$ | | PRODUCT MANAGEMENT 33,271,498 | | | | | |
| | CPN | Spec. Acc. Intrastate | Spec. Acc. Interstate | Priv. Line | Class SUBTOTALS | GRAND TOTALS | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 23,898 | 0 | 2,465,935 | 3,626,650 | 13,882,388 | |
| Intraoff - Conn | 0 | 0 | 0 | 0 | 0 | 1,323 | |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 110,680 | 1,427,925 | |
| Interoff - Local | 0 | 0 | 0 | 0 | 111,439 | 1,447,484 | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 62,995 | 1,727,470 | |
| Directory Assis | 0 | 0 | 0 | 0 | 19,206 | 322,603 | |
| Operator Serv | 0 | 0 | 0 | 0 | 4,210 | 170,487 | |
| CO Suppl | 0 | 0 | 0 | 0 | 391,339 | 1,025,570 | |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Local | 0 | 0 | 0 | 91,977 | 164,313 | 983,695 | |
| Interoff - Toll | 0 | 58,553 | 0 | 7,018,834 | 7,238,831 | 12,164,572 | |
| Directory Assis | 0 | 0 | 0 | 0 | 3,278 | 51,599 | |
| Operator Serv | 0 | 0 | 0 | 0 | 1,228 | 66,382 | |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 0 | 23,898 | 0 | 2,465,935 | 3,626,650 | 13,882,388 | |
| Intraoff - Conn | 0 | 0 | 0 | 0 | 0 | 1,323 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 110,680 | 1,427,925 | |
| Interoff - Local | 0 | 0 | 0 | 91,977 | 275,752 | 2,431,179 | |
| Interoff - Toll | 0 | 58,553 | 0 | 7,018,834 | 7,301,826 | 13,892,042 | |
| Directory Assis | 0 | 0 | 0 | 0 | 22,484 | 374,202 | |
| Operator Serv | 0 | 0 | 0 | 0 | 5,438 | 236,869 | |
| CO Suppl | 0 | 0 | 0 | 0 | 391,339 | 1,025,570 | |
| Totals | 0 | 82,451 | 0 | 9,576,746 | 11,734,169 | 33,271,498 | |
| GRAND TOTAL | | | | | | | |
| Intraoff - Line | 0 | 23,898 | 0 | 2,465,935 | 3,626,650 | 13,882,388 | |
| Intraoff - Conn | 0 | 0 | 0 | 0 | 0 | 1,323 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 110,680 | 1,427,925 | |
| Interoff - Local | 0 | 0 | 0 | 91,977 | 275,752 | 2,431,179 | |
| Interoff - Toll | 0 | 58,553 | 0 | 7,018,834 | 7,301,826 | 13,892,042 | |
| Directory Assis | 0 | 0 | 0 | 0 | 22,484 | 374,202 | |
| Operator Serv | 0 | 0 | 0 | 0 | 5,438 | 236,869 | |
| CO Suppl | 0 | 0 | 0 | 0 | 391,339 | 1,025,570 | |
| Totals | 0 | 82,451 | 0 | 9,576,746 | 11,734,169 | 33,271,498 | |

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0001

MASSACHUSETTS 12 MONTHS ENDED 11/30/92 Intrastate Operations

ACCOUNT 6611 PRODUCT MANAGEMENT

\$ 33,271,498

| | Residence | Business | Coin | Carrier Intrastate | Carrier Interstate | Centrex | Allocator |
|------------------------------------|-----------|----------|-------|-----------------------|-----------------------|---------|-----------------|
| SP01 MKT FORECAST - BUS | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 206,982 | 0 | 17,588 | 0 | 28,625 | G2XXXP2 F4 NVSP |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff -non Acc | 0 | 30,306 | 0 | 0 | 0 | 3,009 | G2XXXP2 F4 NVSP |
| Interoff - Local | 0 | 30,515 | 0 | 0 | 0 | 3,029 | G2XXXP2 F4 NVSP |
| Interoff - Toll | 0 | 31,380 | 0 | 10,221 | 0 | 1,712 | G2XXXP2 F4 NVSP |
| Directory Assis | 0 | 7,732 | 0 | 110 | 0 | 522 | G2XXXP2 F4 NVSP |
| Operator Serv | 0 | 1,815 | 0 | 0 | 0 | 114 | G2XXXP2 F4 NVSP |
| CO Suppl | 0 | 2,146 | 0 | 0 | 0 | 9,717 | G2XXXP2 F4 NVSP |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Local | 0 | 19,808 | 0 | 0 | 0 | 1,966 | G2XXXP2 F4 NVSP |
| Interoff - Toll | 0 | 71,884 | 0 | 75 | 0 | 3,923 | G2XXXP2 F4 NVSP |
| Directory Assis | 0 | 1,196 | 0 | 45 | 0 | 89 | G2XXXP2 F4 NVSP |
| Operator Serv | 0 | 587 | 0 | 0 | 0 | 25 | G2XXXP2 F4 NVSP |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 0 | 206,982 | 0 | 17,588 | 0 | 28,625 | |
| Intraoff -non Acc | 0 | 30,306 | 0 | 0 | 0 | 3,009 | |
| Interoff - Local | 0 | 50,323 | 0 | 0 | 0 | 4,995 | |
| Interoff - Toll | 0 | 103,264 | 0 | 10,296 | 0 | 5,635 | |
| Directory Assis | 0 | 8,928 | 0 | 155 | 0 | 611 | |
| Operator Serv | 0 | 2,402 | 0 | 0 | 0 | 139 | |
| CO Suppl | 0 | 2,146 | 0 | 0 | 0 | 9,717 | |
| SP02 MKT FORECAST - RES | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 595,364 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff -non Acc | 84,583 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Interoff - Local | 84,756 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Interoff - Toll | 45,119 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Directory Assis | 9,040 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Operator Serv | 914 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| CO Suppl | 4,028 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Local | 55,015 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Interoff - Toll | 103,357 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Directory Assis | 1,617 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Operator Serv | 375 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 595,364 | 0 | 0 | 0 | 0 | 0 | |
| Intraoff -non Acc | 84,583 | 0 | 0 | 0 | 0 | 0 | |
| Interoff - Local | 139,771 | 0 | 0 | 0 | 0 | 0 | |
| Interoff - Toll | 148,476 | 0 | 0 | 0 | 0 | 0 | |
| Directory Assis | 10,657 | 0 | 0 | 0 | 0 | ? | |
| Operator Serv | 1,289 | 0 | 0 | 0 | 0 | 0 | |
| CO Suppl | 4,028 | 0 | 0 | 0 | 0 | 0 | |
| SP03 RATE & TAR - BASIC | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 544,777 | 183,074 | 4,645 | 0 | 0 | 35,224 | CHL 11 |
| SP04 RATE & TAR - VERT | | | | | | | |
| SWITCHING FUNCTION | | | | | | | |
| CO Suppl | 447,270 | 97,793 | 3,598 | 0 | 0 | 33,868 | DIRECT |

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MASSACHUSETTS 12 MONTHS ENDED 11/30/92 Intrastate Operations

ACCOUNT 6611 PRODUCT MANAGEMENT

| | Spec. Acc. CPN Intrastate | Spec. Acc. Interstate | Private Line | \$ GRAND TOTALS | 33,271,498 Allocator |
|------------------------------------|------------------------------|--------------------------|--------------|-----------------------|-------------------------|
| SPO1 MKT FORECAST - BUS | | | | | |
| ACCESS FUNCTION | | | | | |
| Intraoff - Line | 0 | 650 | 0 | 66,067 | 319,912 G2XXXP2 F4 NVSP |
| SWITCHING FUNCTION | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 33,315 G2XXXP2 F4 NVSP |
| Interoff - Local | 0 | 0 | 0 | 0 | 33,544 G2XXXP2 F4 NVSP |
| Interoff - Toll | 0 | 0 | 0 | 0 | 43,313 G2XXXP2 F4 NVSP |
| Directory Assis | 0 | 0 | 0 | 0 | 8,364 G2XXXP2 F4 NVSP |
| Operator Serv | 0 | 0 | 0 | 0 | 1,929 G2XXXP2 F4 NVSP |
| CO Suppl | 0 | 0 | 0 | 0 | 11,863 G2XXXP2 F4 NVSP |
| TRANSPORT FUNCTION | | | | | |
| Interoff - Local | 0 | 0 | 0 | 2,464 | 24,238 G2XXXP2 F4 NVSP |
| Interoff - Toll | 0 | 1,525 | 0 | 188,047 | 265,454 G2XXXP2 F4 NVSP |
| Directory Assis | 0 | 0 | 0 | 0 | 1,330 G2XXXP2 F4 NVSP |
| Operator Serv | 0 | 0 | 0 | 0 | 612 G2XXXP2 F4 NVSP |
| SUBTOTAL W/O COMMON | | | | | |
| Intraoff - Line | 0 | 650 | 0 | 66,067 | 319,912 |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 33,315 |
| Interoff - Local | 0 | 0 | 0 | 2,464 | 57,782 |
| Interoff - Toll | 0 | 1,525 | 0 | 188,047 | 308,767 |
| Directory Assis | 0 | 0 | 0 | 0 | 9,694 |
| Operator Serv | 0 | 0 | 0 | 0 | 2,541 |
| CO Suppl | 0 | 0 | 0 | 0 | 11,863 |
| SPO2 MKT FORECAST - RES | | | | | |
| ACCESS FUNCTION | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 595,364 G2XXXP2 F4 V01 |
| SWITCHING FUNCTION | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 84,583 G2XXXP2 F4 V01 |
| Interoff - Local | 0 | 0 | 0 | 0 | 84,756 G2XXXP2 F4 V01 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 45,119 G2XXXP2 F4 V01 |
| Directory Assis | 0 | 0 | 0 | 0 | 9,040 G2XXXP2 F4 V01 |
| Operator Serv | 0 | 0 | 0 | 0 | 914 G2XXXP2 F4 V01 |
| CO Suppl | 0 | 0 | 0 | 0 | 4,028 G2XXXP2 F4 V01 |
| TRANSPORT FUNCTION | | | | | |
| Interoff - Local | 0 | 0 | 0 | 0 | 55,015 G2XXXP2 F4 V01 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 103,357 G2XXXP2 F4 V01 |
| Directory Assis | 0 | 0 | 0 | 0 | 1,617 G2XXXP2 F4 V01 |
| Operator Serv | 0 | 0 | 0 | 0 | 375 G2XXXP2 F4 V01 |
| SUBTOTAL W/O COMMON | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 595,364 |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 84,583 |
| Interoff - Local | 0 | 0 | 0 | 0 | 139,771 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 148,476 |
| Directory Assis | 0 | 0 | 0 | 0 | 10,657 |
| Operator Serv | 0 | 0 | 0 | 0 | 1,289 |
| CO Suppl | 0 | 0 | 0 | 0 | 4,028 |
| SPO3 RATE & TAR - BASIC | | | | | |
| ACCESS FUNCTION | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 767,721 CML 11 |
| SPO4 RATE & TAR - VERT | | | | | |
| SWITCHING FUNCTION | | | | | |
| CO Suppl | 0 | 0 | 0 | 0 | 582,529 DIRECT |

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MASSACHUSETTS 12 MONTHS ENDED 11/30/92 Intrastate Operations

ACCOUNT 6611 PRODUCT MANAGEMENT

\$ 33,271,498

| | Residence ----- | Business ----- | Coin ----- | Carrier Intrastate ----- | Carrier Interstate ----- | Centrex ----- | Allocator ----- |
|---|--------------------|-------------------|---------------|--------------------------------|--------------------------------|------------------|--------------------|
| SPO5 RATE & TAR - INTRA MTS | | | | | | | |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Toll | 873,031 | 324,780 | 39,911 | 0 | 0 | 17,138 | NOU 13 |
| Operator Serv | 5,736 | 7,227 | 29,177 | 0 | 0 | 308 | MSG 4 |
| SPO6 RATE & TAR - PL | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Interoff - Local | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Directory Assis | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Operator Serv | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| CO Suppl | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Local | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Directory Assis | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Operator Serv | 0 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 0 | 0 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 0 | 0 | |
| Interoff - Local | 0 | 0 | 0 | 0 | 0 | 0 | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 0 | 0 | |
| Directory Assis | 0 | 0 | 0 | 0 | 0 | 0 | |
| Operator Serv | 0 | 0 | 0 | 0 | 0 | 0 | |
| CO Suppl | 0 | 0 | 0 | 0 | 0 | 0 | |
| SPO7 RATE & TAR-INTER MTS | | | | | | | |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Toll | 0 | 0 | 0 | 23,649 | 0 | 0 | DIRECT |
| Operator Serv | 0 | 0 | 0 | 800 | 0 | 0 | DIRECT |
| SPO8 RATE & TAR - INTER - PL | | | | | | | |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 0 | 0 | DIRECT |
| SPO9 RATE & TAR - CUST PREM | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 252,380 | 0 | 93 | 0 | 48,559 | CHL 15 |
| SP10 MKT MGT & PLNG - BUS | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 7,407,458 | 0 | 629,425 | 0 | 1,024,409 | G2XXXP2 F4 NVSP |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff -non Acc | 0 | 1,084,600 | 0 | 0 | 0 | 107,671 | G2XXXP2 F4 NVSP |
| Interoff - Local | 0 | 1,092,053 | 0 | 0 | 0 | 108,410 | G2XXXP2 F4 NVSP |
| Interoff - Toll | 0 | 1,123,023 | 0 | 365,777 | 0 | 61,283 | G2XXXP2 F4 NVSP |
| Directory Assis | 0 | 276,701 | 0 | 3,948 | 0 | 18,684 | G2XXXP2 F4 NVSP |
| Operator Serv | 0 | 64,931 | 0 | 0 | 0 | 4,096 | G2XXXP2 F4 NVSP |
| CO Suppl | 0 | 76,778 | 0 | 4 | 0 | 347,754 | G2XXXP2 F4 NVSP |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Local | 0 | 708,857 | 0 | 0 | 0 | 70,370 | G2XXXP2 F4 NVSP |
| Interoff - Toll | 0 | 2,572,567 | 0 | 2,697 | 0 | 140,383 | G2XXXP2 F4 NVSP |
| Directory Assis | 0 | 42,816 | 0 | 1,598 | 0 | 3,189 | G2XXXP2 F4 NVSP |
| Operator Serv | 0 | 21,009 | 0 | 0 | 0 | 895 | G2XXXP2 F4 NVSP |

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00018

MASSACHUSETTS 12 MONTHS ENDED 11/30/92 Intrastate Operations

ACCOUNT 6611 PRODUCT MANAGEMENT

| | CPN | Spec. Acc. Intrastate | Spec. Acc. Interstate | Private Line | \$ GRAND TOTALS | 33,271,498 Allocator |
|---|-----|--------------------------|--------------------------|--------------|-----------------------|-------------------------|
| SP05 RATE & TAR - INTRA MTS | | | | | | |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 1,254,861 | MOU 13 |
| Operator Serv | 0 | 0 | 0 | 0 | 42,448 | MSG 4 |
| SP06 RATE & TAR - PL | | | | | | |
| ACCESS FUNCTION | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 35,489 | 35,489 | G2XXXP2 F4 V26 |
| SWITCHING FUNCTION | | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Interoff - Local | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Directory Assis | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Operator Serv | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| CO Suppl | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Local | 0 | 0 | 0 | 1,324 | 1,324 | G2XXXP2 F4 V26 |
| Interoff - Toll | 0 | 0 | 0 | 101,013 | 101,013 | G2XXXP2 F4 V26 |
| Directory Assis | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| Operator Serv | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V26 |
| SUBTOTAL W/O COMMON | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 35,489 | 35,489 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 0 | |
| Interoff - Local | 0 | 0 | 0 | 1,324 | 1,324 | |
| Interoff - Toll | 0 | 0 | 0 | 101,013 | 101,013 | |
| Directory Assis | 0 | 0 | 0 | 0 | 0 | |
| Operator Serv | 0 | 0 | 0 | 0 | 0 | |
| CO Suppl | 0 | 0 | 0 | 0 | 0 | |
| SP07 RATE & TAR-INTER MTS | | | | | | |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 23,649 | DIRECT |
| Operator Serv | 0 | 0 | 0 | 0 | 800 | DIRECT |
| SP08 RATE & TAR - INTER - PL | | | | | | |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Toll | 0 | 2,454 | 0 | 0 | 2,454 | DIRECT |
| SP09 RATE & TAR - CUST PREM | | | | | | |
| ACCESS FUNCTION | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 301,031 | CHL 15 |
| SP10 MKT MGT & PLNG - BUS | | | | | | |
| ACCESS FUNCTION | | | | | | |
| Intraoff - Line | 0 | 23,248 | 0 | 2,364,379 | 11,448,919 | G2XXXP2 F4 NVSP |
| SWITCHING FUNCTION | | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 1,192,271 | G2XXXP2 F4 NVSP |
| Interoff - Local | 0 | 0 | 0 | 0 | 1,200,463 | G2XXXP2 F4 NVSP |
| Interoff - Toll | 0 | 0 | 0 | 0 | 1,550,083 | G2XXXP2 F4 NVSP |
| Directory Assis | 0 | 0 | 0 | 0 | 299,333 | G2XXXP2 F4 NVSP |
| Operator Serv | 0 | 0 | 0 | 0 | 69,027 | G2XXXP2 F4 NVSP |
| CO Suppl | 0 | 0 | 0 | 0 | 424,536 | G2XXXP2 F4 NVSP |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Local | 0 | 0 | 0 | 88,189 | 867,416 | G2XXXP2 F4 NVSP |
| Interoff - Toll | 0 | 54,574 | 0 | 6,729,774 | 9,499,995 | G2XXXP2 F4 NVSP |
| Directory Assis | 0 | 0 | 0 | 0 | 47,603 | G2XXXP2 F4 NVSP |
| Operator Serv | 0 | 0 | 0 | 0 | 21,904 | G2XXXP2 F4 NVSP |

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MASSACHUSETTS 12 MONTHS ENDED 11/30/92 Intrastate Operations

ACCOUNT 6611 PRODUCT MANAGEMENT

\$ 33,271,498

| | Residence ----- | Business ----- | Coin ---- | Carrier Intrastate ----- | Carrier Interstate ----- | Centrex ----- | Allocator ----- |
|----------------------------------|--------------------|-------------------|--------------|--------------------------------|--------------------------------|------------------|--------------------|
| SP10 MKT MGT & PLNG - BUS (Cont) | | | | | | | |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 0 | 7,407,458 | 0 | 629,425 | 0 | 1,024,409 | |
| Intraoff - non Acc | 0 | 1,084,600 | 0 | 0 | 0 | 107,671 | |
| Interoff - Local | 0 | 1,800,910 | 0 | 0 | 0 | 178,780 | |
| Interoff - Toll | 0 | 3,695,590 | 0 | 368,474 | 0 | 201,666 | |
| Directory Assis | 0 | 319,517 | 0 | 5,546 | 0 | 21,873 | |
| Operator Serv | 0 | 85,940 | 0 | 0 | 0 | 4,991 | |
| CO Suppl | 0 | 76,778 | 0 | 4 | 0 | 347,754 | |
| SP11 MKT MGT & PLNG - PUB | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 0 | 27,597 | 0 | 0 | 0 | 6623.3200 SP02 |
| Intraoff - Conn | 0 | 0 | 1,323 | 0 | 0 | 0 | 6623.3200 SP02 |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff - non Acc | 0 | 0 | 62,867 | 0 | 0 | 0 | 6623.3200 SP02 |
| Interoff - Local | 0 | 0 | 73,720 | 0 | 0 | 0 | 6623.3200 SP02 |
| Interoff - Toll | 0 | 0 | 59,675 | 0 | 0 | 0 | 6623.3200 SP02 |
| Operator Serv | 0 | 0 | 98,024 | 0 | 0 | 0 | 6623.3200 SP02 |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 0 | 0 | 27,597 | 0 | 0 | 0 | |
| Intraoff - Conn | 0 | 0 | 1,323 | 0 | 0 | 0 | |
| Intraoff - non Acc | 0 | 0 | 62,867 | 0 | 0 | 0 | |
| Interoff - Local | 0 | 0 | 73,720 | 0 | 0 | 0 | |
| Interoff - Toll | 0 | 0 | 59,675 | 0 | 0 | 0 | |
| Operator Serv | 0 | 0 | 98,024 | 0 | 0 | 0 | |
| SP12 MKT MGT & PLNG - RES | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 386,355 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff - non Acc | 54,889 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Interoff - Local | 55,001 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Interoff - Toll | 29,280 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Directory Assis | 5,866 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Operator Serv | 593 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| CO Suppl | 2,614 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Local | 35,702 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Interoff - Toll | 67,072 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Directory Assis | 1,049 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| Operator Serv | 243 | 0 | 0 | 0 | 0 | 0 | G2XXXP2 F4 V01 |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 386,355 | 0 | 0 | 0 | 0 | 0 | |
| Intraoff - non Acc | 54,889 | 0 | 0 | 0 | 0 | 0 | |
| Interoff - Local | 90,703 | 0 | 0 | 0 | 0 | 0 | |
| Interoff - Toll | 96,352 | 0 | 0 | 0 | 0 | 0 | |
| Directory Assis | 6,915 | 0 | 0 | 0 | 0 | 0 | |
| Operator Serv | 836 | 0 | 0 | 0 | 0 | 0 | |
| CO Suppl | 2,614 | 0 | 0 | 0 | 0 | 0 | |
| SP13 USAGE & MKT PLNG - RES | | | | | | | |
| TRANSPORT FUNCTION | | | | | | | |
| Interoff - Toll | 846,717 | 0 | 0 | 0 | 0 | 0 | DIRECT |

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MASSACHUSETTS 12 MONTHS ENDED 11/30/92 Intrastate Operations

ACCOUNT 6611 PRODUCT MANAGEMENT

| | CPN | Spec. Acc. Intrastate | Spec. Acc. Interstate | Private Line | \$ GRAND TOTALS | 33,271,498 Allocator |
|---|-----|--------------------------|--------------------------|--------------|-----------------------|-------------------------|
| SP10 MKT MGT & PLNG - BUS (Cont) | | | | | | |
| SUBTOTAL W/O COMMON | | | | | | |
| Intraoff - Line | 0 | 23,248 | 0 | 2,364,379 | 11,448,919 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 1,192,271 | |
| Interoff - Local | 0 | 0 | 0 | 88,189 | 2,067,879 | |
| Interoff - Toll | 0 | 54,574 | 0 | 6,729,774 | 11,050,078 | |
| Directory Assis | 0 | 0 | 0 | 0 | 346,936 | |
| Operator Serv | 0 | 0 | 0 | 0 | 90,931 | |
| CO Suppl | 0 | 0 | 0 | 0 | 424,536 | |
| SP11 MKT MGT & PLNG - PUB | | | | | | |
| ACCESS FUNCTION | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 27,597 | 6623.3200 SP02 |
| Intraoff - Conn | 0 | 0 | 0 | 0 | 1,323 | 6623.3200 SP02 |
| SWITCHING FUNCTION | | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 62,867 | 6623.3200 SP02 |
| Interoff - Local | 0 | 0 | 0 | 0 | 73,720 | 6623.3200 SP02 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 59,675 | 6623.3200 SP02 |
| Operator Serv | 0 | 0 | 0 | 0 | 98,024 | 6623.3200 SP02 |
| SUBTOTAL W/O COMMON | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 27,597 | |
| Intraoff - Conn | 0 | 0 | 0 | 0 | 1,323 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 62,867 | |
| Interoff - Local | 0 | 0 | 0 | 0 | 73,720 | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 59,675 | |
| Operator Serv | 0 | 0 | 0 | 0 | 98,024 | |
| SP12 MKT MGT & PLNG - RES | | | | | | |
| ACCESS FUNCTION | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 386,355 | G2XXXP2 F4 V01 |
| SWITCHING FUNCTION | | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 54,889 | G2XXXP2 F4 V01 |
| Interoff - Local | 0 | 0 | 0 | 0 | 55,001 | G2XXXP2 F4 V01 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 29,280 | G2XXXP2 F4 V01 |
| Directory Assis | 0 | 0 | 0 | 0 | 5,866 | G2XXXP2 F4 V01 |
| Operator Serv | 0 | 0 | 0 | 0 | 593 | G2XXXP2 F4 V01 |
| CO Suppl | 0 | 0 | 0 | 0 | 2,614 | G2XXXP2 F4 V01 |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Local | 0 | 0 | 0 | 0 | 35,702 | G2XXXP2 F4 V01 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 67,072 | G2XXXP2 F4 V01 |
| Directory Assis | 0 | 0 | 0 | 0 | 1,049 | G2XXXP2 F4 V01 |
| Operator Serv | 0 | 0 | 0 | 0 | 243 | G2XXXP2 F4 V01 |
| SUBTOTAL W/O COMMON | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 0 | 386,355 | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 54,889 | |
| Interoff - Local | 0 | 0 | 0 | 0 | 90,703 | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 96,352 | |
| Directory Assis | 0 | 0 | 0 | 0 | 6,915 | |
| Operator Serv | 0 | 0 | 0 | 0 | 836 | |
| CO Suppl | 0 | 0 | 0 | 0 | 2,614 | |
| SP13 USAGE & MKT PLNG - RES | | | | | | |
| TRANSPORT FUNCTION | | | | | | |
| Interoff - Toll | 0 | 0 | 0 | 0 | 846,717 | DIRECT |

COSS ASSIGNMENT NARRATIVE FORM

00021

MASSACHUSETTS 1992

Account Number: 6612
Account Name: Sales
Account Dollars: \$38,966,951

Account Description:

This account contains the pay and other expenses primarily of personnel engaged in performing the functions of canvassing for new business or for changing or renewing existing service. Also involved is the interviewing of customers for promoting the further use of service as well as installation coordination activities.

There are five organizations that generate expenses in the 6612 account. They are: Direct Marketing/Direct Response Center, Industry Group Sales, Administrative and System Group Sales, Public Sales Services, and Interfunctional Special Services Coordination (ISSC).

Allocation Narrative:

Functional Accounting data are used to distribute the total account balance into the functional areas described above. These amounts are allocated as explained below.

The Direct Marketing/Direct Response Center expenses are incurred through direct contact with customers using primarily Telemarketing techniques to generate new sales of Residence supplemental services. The selling activity results in the generation of service orders which would dictate the allocation of the expense to Access Intraoffice Connection and the Residence customer class.

The Industry Group Sales organization is involved with the sale of services to large business customers and the ongoing servicing of their accounts. The expenses incurred are primarily payments to NET sales agents for the sale of services, the providing of technical assistance and account servicing activities. This organization engages in Business Direct Marketing activities with customers as well.

The sales related expenses are identified as payments to agents for the test period. The expenses are assigned to Access Intraoffice Connection and the Business, Centrex and Private Line customer classes based on these commission payments.

The Technical Assistance and Account Servicing portion of Industry Group Sales is also identified by commission payments made to agents. Both the Technical Assistance and Account Servicing activities serve to maintain and enhance customer satisfaction with NET services. Therefore, the expenses are assigned to Access Intraoffice Line and the Business, Centrex and Private Line customer classes based on the same relationships.

The Business Direct Marketing expenses are assigned to Access Intraoffice Connection and the Business, Centrex and Private Line customer classes based on service orders.

The Administrative and System Group Sales organization is primarily involved

COSS ASSIGNMENT NARRATIVE FORM

00022

MASSACHUSETTS 1992

Account Number: 6612
Account Name: Sales
Account Dollars: \$38,966.951

Allocation Narrative: (Continued)

with satisfying customer requests for service and, therefore, the majority of the expense is assigned to Access Intraoffice Connections. This organization also interfaces with customers on all inside wire sales with that expense being assigned to Access Intraoffice Customer Premise-Existing (CPE) and the Business and Centrex customer classes. This assignment is made on the basis of wire use charges. They also provide assistance in rectifying complex repair problems and perform various account servicing activities such as usage studies, planning, magnetic tape preparation and training. Accordingly, these expenses are assigned to Access Intraoffice Line and the Business, Centrex and Private Line customer classes on the basis of the Business Marketing Case Report.

Public Sales Services expenses are incurred in the planning and implementation of Public Services as well as the servicing of existing accounts all for the purpose of increasing Public Service usage. These expenses are directly assigned to the Coin customer class based on the allocation of account 6623.32.

The Interfunctional Special Services Coordination (ISSC) organization is primarily involved with designed circuits and closely interacts with the various engineering and assignment centers. The expenses incurred are directly assigned to Access Intraoffice Connection and the Business and Private Line customer classes on the basis of designed circuit inward movement.

Intrastate results are determined as follows:

1. Interim intrastate results are obtained by subtracting the interstate amounts represented by the Special Access and Carrier Switched customer classes from the total results.
2. The account interim intrastate amount is compared to the Company's booked intrastate value. The difference reflects non-cost based assignments to interstate and the remaining intrastate assignment associated with the proportion of the account that is driven on a secondary basis.
3. To balance to the Company's intrastate books this difference is spread to customer classes affected in proportion to the distribution of the interim intrastate results.

Data Sources Used:

Functional Accounting
Business Marketing Case Report
Wire Use Study
Commission Payment Report
Subject Matter Experts

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ACCOUNT NUMBER : 6612
ACCOUNT NAME : SALES
ACCOUNT DOLLAR : \$

MASSACHUSETTS 12 MONTHS ENDED 11/30/92 COMBINED OPERATIONS COSS CONTROL FORM

PAGE 1

38,966,951

| S U B P A R T | FUNCTION/SERVICE | BASIS OF ASSIGNMENT | ASSIGNMENT CLARIFIER |
|---------------------------------|------------------|------------------------------------|-------------------------|
| SP01 DM/DR | F1 H02 \$ | 2,857,458 DIRECT (Residence only) | |
| SP02 IGS-SRVC/COMM | F1 H01 | 9,471,306 DIRECT (See Attachment) | |
| SP02 " | F1 H02 | 10,615,079 DIRECT (See Attachment) | |
| SUBPART Grand Total | | 20,086,385 | |
| SP03 IGS-BUS MKT DIR | F1 H02 | 851,604 DIRECT (See Attachment) | |
| SP04 AGS - SGS | F1 H01 | 2,797,589 DIRECT (See Attachment) | |
| SP04 " | F1 H02 | 11,523,553 DIRECT (See Attachment) | |
| SP04 " | F1 H03 | 116,597 DIRECT (See Attachment) | |
| SUBPART Grand Total | | 14,437,739 | |
| SP05 ISSC | F1 H02 | 1,570 DIRECT (See Attachment) | |
| SP06 PSS | F6 H17 | 732,195 SEC - 6623.3200 | SP02(PUB TEL COMM COIN) |

00023

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00024

MASSACHUSETTS 12 MONTHS ENDED 11/30/92 COMBINED Operations

| | | | | | | | |
|---------------------|-----------|------------|---------|--------------------|--------------------|-----------------------|------------|
| ACCOUNT 6612 | SALES | | | | | | |
| ACCOUNT TOTAL | \$ | 38,966,951 | | | | | |
| | Residence | Business | Coin | Carrier Intrastate | Carrier Interstate | Cust. Class SUBTOTALS | Centrex |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 3,426,562 | 62,518 | 0 | 0 | 3,489,080 | 6,038,192 |
| Intraoff - Conn | 2,857,458 | 6,774,245 | 2,997 | 0 | 0 | 9,634,700 | 10,419,910 |
| Intraoff - CPE | 0 | 103,452 | 0 | 0 | 0 | 103,452 | 13,145 |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff -non Acc | 0 | 0 | 142,420 | 0 | 0 | 142,420 | 0 |
| Interoff - Local | 0 | 0 | 167,007 | 0 | 0 | 167,007 | 0 |
| Interoff - Toll | 0 | 0 | 135,188 | 0 | 0 | 135,188 | 0 |
| Operator Serv | 0 | 0 | 222,065 | 0 | 0 | 222,065 | 0 |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 0 | 3,426,562 | 62,518 | 0 | 0 | 3,489,080 | 6,038,192 |
| Intraoff - Conn | 2,857,458 | 6,774,245 | 2,997 | 0 | 0 | 9,634,700 | 10,419,910 |
| Intraoff - CPE | 0 | 103,452 | 0 | 0 | 0 | 103,452 | 13,145 |
| Intraoff -non Acc | 0 | 0 | 142,420 | 0 | 0 | 142,420 | 0 |
| Interoff - Local | 0 | 0 | 167,007 | 0 | 0 | 167,007 | 0 |
| Interoff - Toll | 0 | 0 | 135,188 | 0 | 0 | 135,188 | 0 |
| Operator Serv | 0 | 0 | 222,065 | 0 | 0 | 222,065 | 0 |
| Totals | 2,857,458 | 10,304,259 | 732,195 | 0 | 0 | 13,893,912 | 16,471,247 |
| GRAND TOTAL | | | | | | | |
| Intraoff - Line | 0 | 3,426,562 | 62,518 | 0 | 0 | 3,489,080 | 6,038,192 |
| Intraoff - Conn | 2,857,458 | 6,774,245 | 2,997 | 0 | 0 | 9,634,700 | 10,419,910 |
| Intraoff - CPE | 0 | 103,452 | 0 | 0 | 0 | 103,452 | 13,145 |
| Intraoff -non Acc | 0 | 0 | 142,420 | 0 | 0 | 142,420 | 0 |
| Interoff - Local | 0 | 0 | 167,007 | 0 | 0 | 167,007 | 0 |
| Interoff - Toll | 0 | 0 | 135,188 | 0 | 0 | 135,188 | 0 |
| Operator Serv | 0 | 0 | 222,065 | 0 | 0 | 222,065 | 0 |
| Totals | 2,857,458 | 10,304,259 | 732,195 | 0 | 0 | 13,893,912 | 16,471,247 |

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MASSACHUSETTS 12 MONTHS ENDED 11/30/92 COMBINED Operations

ACCOUNT 6612
ACCOUNT TOTAL

\$

SALES
38,966,951

| | CPN | Spec. Acc. Intrastate | Spec. Acc. Interstate | Priv. Line | Class SUBTOTALS | GRAND TOTALS |
|----------------------------|-----|--------------------------|--------------------------|------------|--------------------|-----------------|
| ACCESS FUNCTION | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 2,804,141 | 8,842,333 | 12,331,413 |
| Intraoff - Conn | 0 | 0 | 0 | 5,797,651 | 16,217,561 | 25,852,261 |
| Intraoff - CPE | 0 | 0 | 0 | 0 | 13,145 | 116,597 |
| SWITCHING FUNCTION | | | | | | |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 0 | 142,420 |
| Interoff - Local | 0 | 0 | 0 | 0 | 0 | 167,007 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 0 | 135,188 |
| Operator Serv | 0 | 0 | 0 | 0 | 0 | 222,065 |
| SUBTOTAL W/O COMMON | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 2,804,141 | 8,842,333 | 12,331,413 |
| Intraoff - Conn | 0 | 0 | 0 | 5,797,651 | 16,217,561 | 25,852,261 |
| Intraoff - CPE | 0 | 0 | 0 | 0 | 13,145 | 116,597 |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 0 | 142,420 |
| Interoff - Local | 0 | 0 | 0 | 0 | 0 | 167,007 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 0 | 135,188 |
| Operator Serv | 0 | 0 | 0 | 0 | 0 | 222,065 |
| Totals | 0 | 0 | 0 | 8,601,792 | 25,073,039 | 38,966,951 |
| GRAND TOTAL | | | | | | |
| Intraoff - Line | 0 | 0 | 0 | 2,804,141 | 8,842,333 | 12,331,413 |
| Intraoff - Conn | 0 | 0 | 0 | 5,797,651 | 16,217,561 | 25,852,261 |
| Intraoff - CPE | 0 | 0 | 0 | 0 | 13,145 | 116,597 |
| Intraoff -non Acc | 0 | 0 | 0 | 0 | 0 | 142,420 |
| Interoff - Local | 0 | 0 | 0 | 0 | 0 | 167,007 |
| Interoff - Toll | 0 | 0 | 0 | 0 | 0 | 135,188 |
| Operator Serv | 0 | 0 | 0 | 0 | 0 | 222,065 |
| Totals | 0 | 0 | 0 | 8,601,792 | 25,073,039 | 38,966,951 |

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MASSACHUSETTS 12 MONTHS ENDED 11/30/92 Combined Operations

ACCOUNT 6612 SALES

| | Residence | Business | Coin | Carrier Intrastate | Carrier Interstate | \$ Centrex | 38,966,951 Allocator |
|-----------------------------|-----------|-----------|---------|-----------------------|-----------------------|---------------|-------------------------|
| | ----- | ----- | ---- | ----- | ----- | ----- | ----- |
| SP01 DM/DR | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Conn | 2,857,458 | 0 | 0 | 0 | 0 | 0 | DIRECT |
| SP02 IGS-SRVC/COMM | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 2,688,734 | 0 | 0 | 0 | 4,860,200 | DIRECT |
| Intraoff - Conn | 0 | 3,145,719 | 0 | 0 | 0 | 5,363,587 | DIRECT |
| SP03 IGS-BUS MKT DIR | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Conn | 0 | 589,212 | 0 | 0 | 0 | 204,053 | DIRECT |
| SP04 AGS - SGS | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 737,828 | 0 | 0 | 0 | 1,177,992 | DIRECT |
| Intraoff - Conn | 0 | 3,039,188 | 0 | 0 | 0 | 4,852,270 | DIRECT |
| Intraoff - CPE | 0 | 103,452 | 0 | 0 | 0 | 13,145 | DIRECT |
| SP05 ISSC | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Conn | 0 | 126 | 0 | 0 | 0 | 0 | DIRECT |
| SP06 PSS | | | | | | | |
| ACCESS FUNCTION | | | | | | | |
| Intraoff - Line | 0 | 0 | 62,518 | 0 | 0 | 0 | 6623.3200 SP02 |
| Intraoff - Conn | 0 | 0 | 2,997 | 0 | 0 | 0 | 6623.3200 SP02 |
| SWITCHING FUNCTION | | | | | | | |
| Intraoff -non Acc | 0 | 0 | 142,420 | 0 | 0 | 0 | 6623.3200 SP02 |
| Interoff - Local | 0 | 0 | 167,007 | 0 | 0 | 0 | 6623.3200 SP02 |
| Interoff - Toll | 0 | 0 | 135,188 | 0 | 0 | 0 | 6623.3200 SP02 |
| Operator Serv | 0 | 0 | 222,065 | 0 | 0 | 0 | 6623.3200 SP02 |
| SUBTOTAL W/O COMMON | | | | | | | |
| Intraoff - Line | 0 | 0 | 62,518 | 0 | 0 | 0 | |
| Intraoff - Conn | 0 | 0 | 2,997 | 0 | 0 | 0 | |
| Intraoff -non Acc | 0 | 0 | 142,420 | 0 | 0 | 0 | |
| Interoff - Local | 0 | 0 | 167,007 | 0 | 0 | 0 | |
| Interoff - Toll | 0 | 0 | 135,188 | 0 | 0 | 0 | |
| Operator Serv | 0 | 0 | 222,065 | 0 | 0 | 0 | |